



UNIVERSITY OF JOHANNESBURG
FACULTY OF EDUCATION
MAY/JUNE EXAMINATION 2014

PROGRAMME: B.Ed
MODULE: Economics and Management Sciences for Teachers 2A
CODE: EMT2A10
TIME: 2 Hours
MARKS: 100
EXAMINER: Dr. M Bounds
MODERATOR: Mr. M Kara
(This paper consists of 6 pages)

INSTRUCTIONS:

1. Please hand in your questions paper.

1. Read the questions carefully and answer only what is required.
2. Answer all questions.
3. Make use of applicable practical examples to support your answers.
4. Number your questions clearly.
5. Use the special sheet in question paper to answer Question 4. Submit question paper and your answer sheet.
6. Write neatly and legibly. Systematic exposition is a prerequisite.
7. Structure your answers by using appropriate headings and sub-headings.
8. The general University of Johannesburg policies, procedures and rules pertaining to close book assessments apply to this assessment.

QUESTION 1**[Marks: 15]**

- 1.1 Temba would like to start his own business producing suitcases. He has established that he needs about R 95 000 start-up capital and a further R 45 000 as operating capital to carry him through the first three months. The bank is willing to extend him a loan of R 50 000. He has own capital of R50 000. He has assets worth 500 000. She believes you must be a futuristic thinker – always thinking of what can happen tomorrow and plan accordingly. You must analyse everything, even the unions, because he has 50 people working for her

Name and explain the THREE factors of production as well as an example of each involved, from the case study. (6)

- 1.2 Explain the terms “demand and supply” by referring to the case study. (4)
- 1.3 Differentiate between profit and profitability. (2)
- 1.4 Development in a country would not be possible without economic growth. List three things that is important for the economy to grow faster. (3)

QUESTION 2**[Marks: 10]**

There are different approaches to the classification of production systems. Explain any two of these production systems. In your discussion state two advantages and two disadvantages

QUESTION 3**[Marks: 20]**

John established a new furniture factory eight months ago. He is still battling to show a profit. He approaches you to assist him in finding a solution for the lack of operating his factory at a profit. After asking John a few basic questions, you realised that John did not have proper goals, objectives and plans in place when he started his business.

- 3.1 Explain to him the importance of total quality management. Refer in your discussion to ISO 9000. (10)
- 3.2 Do a comparison between two quality control systems. (8)
- 3.3 List four objectives / services rendered by the South African Bureau of Standards (SABS). (4)

QUESTION 4**[Marks: 5]**

Choose the correct answer and write only the answer in your answer book - example
(Question 4.1 is F)

QUESTION 4.1

Fixed costs include the following:

- (i) Office rent
- (ii) Depreciation
- (iii) Permanent staff salaries
- (iv) Electricity
- (v) Manufacturing costs

CHOOSE THE CORRECT ANSWER:

- A (i), (ii), (iii) ***
- B (iv), (v), (i)
- C (ii), (iii), (iv)
- D (v), (ii), (iii)
- E All of the above

QUESTION 4.2

The following information concerning Alf's Stationers (Pty) Ltd. Given the following information, calculate the breakeven point for Alf's Stationers (Pty) Ltd.

Selling Price per unit	R14
Variable cost per unit	R8
Office rent	R3 200
Salaries	R4 000

- A 1 000
- B 1 100
- C 1 200 ***
- D 1 300
- E 1 900

QUESTION 4.3

_____, refers to all the money the business owes that is to be paid back within one year. Bank overdrafts and income tax are examples.

- A Current liabilities
- B Current creditors
- C Current assets
- D Liabilities

- 4.4 True or False: The minister of internal affairs will announce in the Budget the previous year's estimated and actual expenditure.
- 4.5 True or False: South Africa largely exports unprocessed and semi-processed materials to the foreign sector.

QUESTION 5**[Marks: 50]**

The following information was extracted from the books of A Apple, a sole trader, as at 29 February 2014:

	R
Land and buildings at cost	3 375 000
Plant and machinery at cost	1 200 000
Office equipment at cost	93 750
Depreciation: Plant and machinery	727 500
Office equipment	46 875
Sales	8 437 500
Purchase	4 312 500
Stock at 1 March 2013	750 000
Wages	1 050 000
Rent received	100 000
Electricity and water	75 000
Repairs to machinery	33 750
Discounts received	22 500
Telephone	28 125
Advertising	153 750
Interest on loan	67 500
Trade payables	731 250
Trade receivables	240 000
Bank	215 625
Drawings	600 000
Long term loan	562 500
Capital	2 812 500

Additional information:

1. Stock on hand 29 February 2014 R843 750.
2. A debtor who owned R2 500 was insolvent and his debt must be written off.

YOU ARE REQUIRED TO :

- Prepare Apple's Statement of comprehensive income for the year ended 29 February 2014
- Prepare Apple's Statement of changes in equity

[illegible]

[illegible]

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END OF ASSESSMENT